



MEMORANDUM

DATE: March 19, 2021

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Supervisory Auditor, Eleanor C. Jefferson

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Performance Audit Follow-Up Report on Abt Associates, Inc., Government Segment Disclosure Statements Revisions No. 10-13. (3-000-21-027-I)

This memorandum transmits the final audit report on the follow-up of Abt Associates, Inc., Government Segment (Abt) Disclosure Statements Revisions No. 10-13. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance, Cost Audit and Support Division contracted with the independent certified public accounting firm of Booth Management Consulting, LLC (BMC) to conduct the audit. BMC stated that the audit was conducted in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion that Abt implemented the recommendations to address the finding in the prior audit report. ¹

The audit's objective was to determine if a finding identified in the *Report on the Performance Audit over the Adequacy and Cost Accounting Standards Compliance of the Disclosure Statements, Revisions 10–13 for Abt Associates Inc., Government Segment* issued by Kearney & Company dated January 5, 2018 had been resolved and disclosed cost accounting practices that comply with Cost Accounting Standards (CAS). To answer the audit objective, BMC reviewed the updated Disclosure Statements (DS) for potential areas of outdated, inaccurate, and/or incomplete disclosed practices in order to determine if the DS were acceptable for audit. In addition, the auditor determined the design effectiveness of the internal controls over the maintenance of the updated DS, conducted walkthroughs over the contractor's cost accounting practices to determine the adequacy of the DS, and determined if the disclosed cost accounting practices are compliant with CAS.

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

BMC concluded that Abt implemented the recommendations to address the finding in the prior audit report. Specifically, Abt implemented practices and written policies and procedures to prevent or detect and correct inadequacies prior to submission to the Government. The implemented recommendations will ensure that DS revisions are current, accurate, complete, and adequately describe the contractor's cost accounting practices, as well as disclosing cost accounting practices that materially comply with CAS, including the design, implementation, and maintenance of internal controls to prevent or detect and correct noncompliance due to fraud or error.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").